

# INNERCITY ENTREPRENEURS 2005 REPORT CARD



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An Initiative of Boston University's School of Management and Department of Sociology  
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# WE ARE PLEASED TO BRING YOU THE 2005 INNERCITY ENTREPRENEURS REPORT CARD

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Since its launch in 2004, InnerCity Entrepreneurs (ICE) has provided advanced management training, peer-to-peer learning, one-on-one coaching, and networking opportunities to entrepreneurs in urban communities who are ready to take their existing businesses to new levels of profitability and growth. A vital part of the ICE mission has been to conduct research that is used by the entrepreneurs to track their own progress and by ICE to track the social and economic impact of our work. To that end, upon entering the ICE program all entrepreneurs fill out an extensive survey. Each entrepreneur fills out the same survey again at the midpoint of the program, and then once again each year for the next four years.

The data reported in the InnerCity Entrepreneurs 2005 Report Card are drawn from these surveys. Ever mindful of their trust in us and rightful desire for privacy, the report contains only a summary of the progress made by all our entrepreneurs. It does not break out or highlight information about any one of our current class participants or alumni.

The report card is divided into three sections: Program Health Indicators; Social & Economic Indicators; and ICE in Action. The first section lays out measures that track the growth and development of the ICE program, including the number of applicants, diversity of the ICE entrepreneurs and the number of entrepreneurs trained. The second section lays out measures that track ICE's progress towards achieving its mission to provide its entrepreneurs with access to capital, markets, and knowledge in order to create jobs, generate wealth, and build community. The third section of the Report Card contains stories from our entrepreneurs about how the program has affected their businesses and helped to shape their future goals.

We are proud of our first two years and the incredible entrepreneurs we have been fortunate to work with. We hope you find the 2005 Report Card informative. Look for research reports, case studies, and yearly report cards from our Research Team as we continue to combine practice and applied research for greater social and economic impact. If you have any questions or wish to learn more about ICE or any information in the report card, please do not hesitate to contact us.

**Andrew Goldberg**

DIRECTOR OF PROGRAMS  
AND DEVELOPMENT

**Daniel J. Monti, Jr., Ph.D.**

FOUNDER AND DIRECTOR  
OF RESEARCH

**Andrew Wolk**

CO-FOUNDER AND  
DIRECTOR

## PROGRAM HEALTH INDICATORS

ICE isn't for everyone. Our recruitment process is rigorous and our recruits are selected with the idea that they will complete the nine-month long program and take advantage of the various services offered by ICE.

PROGRAM HEALTH INDICATORS	TOTAL	2004	2005
Number of Applications Received	53	27	26
Number of ICE Entrepreneurs Trained	28	14	14
Percent Accepted to the Program	53%	52%	54%
Total Hours of Programming Delivered	118	61	57
% of class that join ICE Alumni Network	60%	60%	N/A
% of Class Diversity (race, ethnicity, gender)	66%	66%	66%
% of Companies that Completed Program	97%	100%	93%
Number of Members of Private Sector Network	36	32	39
No. of Speaking Engagements, Awards/Articles	7	2	5

ICE received a total 53 applications during the first two years of operation. Approximately half of all applicants were accepted each year; and all but one have completed the program and graduated. Two-thirds of our entrepreneurs are either minorities or women; and nearly that many joined the newly launched ICE alumni network comprising graduates of the 2004 inaugural program.

## SOCIAL & ECONOMIC IMPACT INDICATORS

Nearly all ICE entrepreneurs found that they had increased their knowledge in the vital areas of management skills, networking, marketing, and leadership. Well more than 80 percent have utilized the Private Sector Network and spent a total of 722 hours consulting with its volunteer business leaders. An even greater percentage state that they are following the growth plan they developed for their business during the program.

ICE entrepreneurs ended up doing considerable business with each other and with the businessmen and women in ICE's Private Sector Network. They also increased their revenues and access to new financing during their involvement in the program.

Our ICE entrepreneurs employ over 600 full and part-time workers or independent contractors. Nearly two-thirds increased their payroll. The overall growth in their employee base was nearly 20 percent.

Their total sales through the first two years of the program exceed \$37 million. They increased their sales over 13 percent during that period. Some 40 percent of the class experienced an increase in personal wealth.

Nearly half of all ICE class members have increased their participation in community related activities and become officers in at least one civic association. They estimate that their businesses have generated over \$100,000 as a direct result of their involvement in community activities.

SOCIAL AND ECONOMIC IMPACT INDICATORS	TOTAL	YEAR END 2004 CLASS	MID POINT 2005 CLASS
ACCESS TO CAPITAL			
Amount of New Financing	\$1,800,000	\$665,000	\$1,135,000
Anticipated Future Financing Based on Growth Plan	\$11,340,000	\$4,405,000	\$6,935,000
ACCESS TO MARKETS			
Total Revenue Generated Through the ICE Program	\$118,303	\$88,200	\$30,100
Total Number of Public Relations Imprints of ICE Entrepreneurs	18	8	10
ACCESS TO KNOWLEDGE			
Number of Hours Accessed with Private Sector Network or Coach	723	559	163
Percent Who Found Private Sector Network Useful	86%	93%	79%
Dollar Value of Access to Pro-Bono Professional Expertise	\$54,197	\$41,953	\$12,244
Percent Following Growth Plan Developed in Program	90%	93%	86%
Percent Increased Knowledge in Leadership	100%	100%	100%
Percent Increased Knowledge in Management	75%	86%	64%
Percent Increased Knowledge in Networking	90%	86%	93%
Percent Increased Knowledge in Marketing	97%	93%	100%
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JOB CREATION			
Total Full, Part Time, and Independent Contractors Employed	612	212	400
Total Number of New Jobs (part, full, and independent)	77	42	35
Percent Growth in All Employees	14%	25%	10%
Percent of ICE Entrepreneurs Who Grew Employee Base	64%	71%	57%
WEALTH GENERATION			
Total Sales for ICE Entrepreneurs	\$37,820,000	\$17,349,000	\$20,471,000
Percent Sales Increase	13%	15%	11%
Percent of ICE Entrepreneurs Whose Personal Wealth Increased	40%	43%	36%
COMMUNITY BUILDING			
Revenue Generated Due to Community Activities	\$101,200	\$81,200	\$20,000
Percent of New FT and PT Employees hired from Local Neighborhood	59%	56%	64%
Increase in Community Involvement	47%	50%	43%
Percent Who Have Become Officer of a Civic Organization	50%	57%	43%

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## **ICE IN ACTION**

### **HISPANIC NEWS PRESS**

In 2004, Julio Nunez and his partners decided he should enroll in the ICE program to develop and sharpen his business skills. At the time, the company was working internationally and locally. In the program he learned how to calculate who his most profitable customers were and developed a rigorous growth plan with goals, objectives, and measurable metrics. With this information, Julio gained the confidence to then talk to his partners about the direction of the company and the importance of the local Hispanic market. Gradually the partners settled on focusing their strategy on publishing a Spanish-language weekly newspaper, El Planeta in Boston. Soon after its launch, The Boston Phoenix approached the company about a partnership. ICE instructor Andrew Wolk counseled Julio to proceed slowly and continue to execute on HNP growth plan, which included a circulation goal of 20,000 in 2004 and 60,000 in 2005. Patience and focus on growth has been rewarded with the recent announcement that Phoenix Media/Communications Group has purchased a 35 percent stake in HNP/El Planeta.

### **PUBLISHING SOLUTIONS GROUP \* RED GALOSHES \* CBDESIGN**

During the 2005 ICE program, ICE Entrepreneurs Barbara Flockhart and Lori Becker of Publishing Solutions Group, Jeff James of Red Galoshes, and Christopher Broughton of CBDESIGN formed a peer group outside of class to offer each other advice in developing their strategic growth plans. They jointly met with members of the ICE Private Sector Network and shared information on other meetings they each had. When Publishing Solutions Group decided to move, first Red Galoshes, then CBDESIGN, decided this was an opportunity for them as well. They explored real estate opportunities together and discussed build-outs and other issues including possibly using the talents of each other as synergistic opportunities arise. The end result – the three companies are moving in together to share services as well as leverage contacts to grow their businesses.

### **BOSTON BODY WORKS**

ICE 2004 Alumnus Patrick Cibotti set two goals in his 2005 growth plan. The first was to drive his 2005 revenues beyond the \$2 million mark and the second was to hire his first ever General Manager. As a result of an investment analysis he did during the program, Patrick concluded that he had to increase the number of cars he could paint to grow his revenues to this level. And, in order to do so, he needed to invest in a state-of-the-art paint booth. The paint booth represented the largest investment he had ever considered. Soon after the ICE program ended, Patrick invested \$150,000 to install the paint booth, which in its short time in service is resulting in an additional \$5,000 in weekly sales and enabling him to project 2005 revenues of \$2.25 million. Patrick's second goal was driven by a fact he uncovered during the ICE program that he was spending too much time in the day to day operations of the business and not enough time thinking about business strategy. While not an easy decision to let go of these duties, with the encouragement of the ICE Alumni Network, Patrick recently hired a General Manager to handle the daily operations of the business.

# INNERCITY ENTREPRENEURS

InnerCity Entrepreneurs (ICE) through practice and applied research promotes job creation, wealth generation, and community building for **existing** inner-city small businesses and organizations interested in **growth**. ICE fulfills its mission by partnering with inner city community-based organizations to offer advanced management training, peer-to-peer learning, one-on-one coaching, and networking opportunities to entrepreneurs who want access to new markets, capital, and knowledge to grow their businesses significantly. The graduates then continue to work together as part of the ICE Alumni Network.

Since 2004, ICE has successfully launched two classes working with a total of 28 entrepreneurs in the Boston area. ICE fills a gap in the small business economic development field using an asset based, holistic approach to its programming. ICE's methodology is based on the premise that entrepreneurs will use their own businesses as the case from which they learn. Upon completion of the program, each entrepreneur has set specific milestones, developed a strategic

plan to grow his or her business, and worked with peers, experts, and coaches to gain greater access to new sources of capital, markets, and knowledge. Each entrepreneur receives a Certificate in Small Business Entrepreneurship from Boston University's Entrepreneurial Management Institute. In addition, having emerged from Boston University, a world class research institution, ICE is committed to developing a body of research and case studies on inner city economic development that will inform the academic and economic development communities and influence the public policy debate concerning the allocation of resources to start-ups versus existing businesses with growth potential. ICE is in the planning stages of replicating the model in Massachusetts as well as in other states around the country.

For information on how to apply to the Boston program or start an InnerCity Entrepreneurs Program please contact Andy Goldberg at 617-953-0954 or [agoldberg@innercityentrepreneurs.org](mailto:agoldberg@innercityentrepreneurs.org).



*Andrew Wolk, Dan Monti, & The ICE Entrepreneurs Class of 2004*